



## STATE BOARD OF EQUALIZATION STAFF LEGISLATIVE BILL ANALYSIS

Date Amended:	<b>5/01/01</b>	Bill No:	<b>SB 1182</b>
Tax:	<b>Property</b>	Author:	<b>Senate Revenue and Taxation Committee</b>
Board Position:	<b>Support</b>	Related Bills:	

### BILL SUMMARY

This bill contains Board-sponsored provisions to:

- Correct cross-referencing errors. (Government Code §51296.3)
- Correct a typesetting error. (§749)

It also contains California Association of Clerks and Election Officials sponsored provisions to:

- Clarify which provisions relating to filing an assessment appeal apply to Los Angeles County and modify an incorrect reference to supplemental assessments. (§75.31, 534, 1605)

### Amendments

The May 1 amendment deleted a proposal to add Section 236.5 to the Revenue and Taxation Code to exempt a leasehold interest in a public park held by a charitable foundation that will acquire ownership of the park at the end of the lease term. This provision is currently contained in Senate Bill 882 (O'Connell).

### ANALYSIS

#### **Farmland Security Zones** *Government Code §51296.3*

#### **Current Law**

Each year, the Senate Local Government Committee authors a bill to correct problems with the statutes that affect counties, cities, special districts, and redevelopment agencies, as well as the laws on land use planning and development. These problems are relatively minor and do not warrant separate (and expensive) bills. Among its

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provisions, last year's Local Government Omnibus Act of 2000 (SB 1350, Ch. 506, 2000), in effect January 1, 2001, repealed former Government Code Section 51296, which included subdivisions (a) - (o), and replaced that one section with Government Code Sections 51296 -51297.4 (Farmland Security Zone). Before the enactment of SB 1350, the statute consisted of a single section with 15 separate subdivisions. SB 1350 simply redistributed the farmland security zone statute from one section into 15 sections without changing the statute's substance. Basically, each former subdivision of Section 51296 became a separate Government Code section, such as follows:

<b>Former Section</b>	<b>Current Section</b>
Section 51296, subdivision (a)	Section 51296
Section 51296, subdivision (b)	Section 51296.1
Section 51296, subdivision (c)	Section 51296.2
Section 51296, subdivision (d)	Section 51296.3
Section 51296, subdivision (e)	Section 51296.4
Section 51296, subdivision (f)	Section 51296.5
Section 51296, subdivision (g)	Section 51296.6

However, former Government Code Section 51296, subdivision (d)(2) referred to exceptions provided in its subdivision (f) or subdivision (g). When it was repealed and new Section 51296.3 was added, the references to those subdivisions were not changed, so that now there are references to those subdivisions within Section 51296.3 that do not exist. Specifically, former Section 51296 (f) is now Section 51296.5, and former Section 51296 (g) is now Section 51296.6.

### **Proposed Law**

This bill would correct the reference errors contained in Section 51296.3 in order to avoid confusion for taxpayers.

### **State Assessee Appeals** *Revenue and Taxation Code §749*

#### **Current Law**

Under current law, Revenue and Taxation Code Section 749 requires the Board to notify a petitioner by mail of its decision on a petition to correct an allocated assessment.

Last year the Board sponsored legislation amending various sections of code to simplify the petition filing deadlines for appeals of assessments and allocations of state-assessed properties. (SB 2170, Ch. 647, Stats. 2000) One word in the original source documents provided to the Legislature was typeset incorrectly when the amendments were set into formal bill introduction form. Specifically, in Section 749, the word

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“allocated” was mistakenly typeset as “unallocated.” Presumably the word “an” prior to the word “allocated” was double typeset as both “an” and “un” and the mistake was not discovered until after the bill had been chaptered. The language adopted by the Board and subsequently delivered to the Legislature uses the word “allocated.” Additionally, since there is no such thing as petitions for “unallocated” assessments, this sentence requires correction.

### **Proposed Law**

This proposal would correct this typesetting error.

### **Assessment Appeals – Assessments Outside the Regular Period**

*Revenue and Taxation Code §75.31, 534, 1605*

### **Current Law**

Under existing law when a taxpayer receives a *notice* of changed assessment with respect to an assessment made “outside the regular assessment period” (supplemental assessments, escape assessments, and penal assessments) for which the taxpayer wants to challenge the assessment, he or she must file an appeal application within 60 days of the date of the mailing of the notice. The “date of mailing” is printed on the notice. In Los Angeles County and any county that adopts a special ordinance, taxpayers have a longer period to file an appeal, which is within 60 days of the mailing of the *tax bill* rather than within 60 days of the notice that precedes the tax bill. Under amendments added to Revenue and Taxation Code Section 1605 last year, (SB 2170, Ch. 647, Stats. 2000), in those counties where the taxpayer must file an appeal within 60 days of the notice, the law was amended to give taxpayers more time to file an appeal if they did not *receive* the notice at least 15 days before the 60 day period expired. Specifically, those taxpayers may then also file within 60 days of the mailing of the tax bill.

### **Proposed Law**

The recent amendments are unclear as to which counties the new law applies. This bill is intended to recast and clarify the recent amendments. Additionally, amendments to Section 75.31 and 534 clarify which provisions apply to Los Angeles County and Section 534 is amended to delete an incorrect reference to supplemental assessments.

### **Comments**

These amendments are intended to provide clarity and certainty for taxpayers and tax practitioners.

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**COST ESTIMATE**

The Board would incur some minor, absorbable costs in informing and advising county assessors, the public, and staff of the change in law.

**REVENUE ESTIMATE**

The provisions of this bill would have no revenue impact.

Analysis prepared by:	Rose Marie Kinnee	445-6777	5/04/01
Contact:	Margaret S. Shedd	322-2376	

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